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Creating the service concept in the private educational service sector - The importance and benefits

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**Creating the service concept in the private educational service
sector - The importance and benefits**

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The aim of the thesis was to investigate how to create service concept templates in order to help all levels of customer service company personnel to understand what is included and expected in the service delivery process in each customer portfolio. During the research the benefits and different ways of constructing the service concepts were also investigated. The main research question of the thesis was if service concepts could increase the efficiency in the service delivery processes and simultaneously strengthen the customer service experience with the same cost structure. The research focused on investigating the benefits and possibilities of service concepts in the private educational service sector. In recent years the educational markets have faced the changes in businesses; major educational service providers in Finland have merged from sole providers to service providers with an extensive product portfolio focusing on meeting every customer in education markets. Even though the common goal is to offer the customer the best possible learning experience, when adding some new customer segments, the service provider will face also the challenge of cost structure in new products.

During the service design process, the main focus of the study was to learn and understand expectations of different customer segments. The process was conducted by using the design process including the following steps, exploration, creation, reflection and implementation. Service-dominant logic, customer experience, customer value and service concept were investigated in order to support the conducted field work. The results of the conducted research have increased the understanding of customer service personnel regarding different customer segments and the expectations about the service offer set by the management level. At the same time the service delivery process of the case company has changed to be more focused and efficient.

Key words: Customer experience, customer service, service-dominant logic, service delivery process, service concept, customer journey, private educational service sector

Table of Contents

1	Introduction	6-9
1.1	Background for the issue.....	7
1.2	Identification of the challenge.....	7-8
1.3	Purpose and goals	8
1.4	Structure of the thesis report.....	9
2	Educational services offered for adults in Finland	10-11
3	Key theories and concepts for the thesis work	12-18
3.1	The introduction to service-dominant logic	12-13
3.2	Operant resources and customer service	13-14
3.3	Foundational premises	14-18
3.3.1	Knowledge and skills as a source of competitive advantage.....	14-16
3.3.2	The customer experience and customer value.....	16-17
3.3.3	The utility of service concept in knowledge and skills sharing.....	17-18
3.3.2	The importance of economies, company and other parties in service-dominant logic.....	18
4	Case study: Designing/developing service concept for educational services	19-46
4.1	Introduction to the study	19-20
4.2	The understanding and creation phase.....	20-34
4.2.1	Personas	20-25
4.2.2	The next stage: Creating customer journey maps	25-26
4.2.3	The analysis of created customer journey maps	26-29
4.2.4	Engaging customers, using surveys as a quantitative data for customer understanding.....	29-31
4.2.5	User observation and shadowing	31-33
4.2.6	Analysis of the understanding phase	33-34
4.3	The reflection phase.....	34-38
4.3.1	In-depth interviews	34-37
4.3.2	Findings from the interviews	37-38
4.4	The implementation phase: Using service concepts as a foundation of tool creation	38-46
4.4.1	Service production process.....	38-39
4.4.2	Servicescapes and the importance of physical environment.....	39-40
4.4.3	Service concept	40
4.4.4	Benefits of creating checklists to support customer service	41
4.4.5	Creation of checklists	41-43

	4.4.6 The test-run period and challenges.....	43
	4.4.7 Feedback from users: In-depth interviews	43-46
5	Summary.....	47-55
	5.1 Conclusions	47-51
	5.1.1 Service-dominant logic.....	47
	5.1.2 Knowledge is the fundamental source of competitive advantage....	47-48
	5.1.3 The importance of facilitating services	48-49
	5.1.4 Customer is always a co-creator	49-50
	5.1.5 The service concept and customer service personnel.....	50-51
	5.2 Self-thoughts, -learnings and implications for future research.....	51-55
	References	56-60
	Figures	61
	Attachments	62

1 Introduction

The term “job for life “does not come as a granted any more. The most important and easier way for a person to meet the expectations from business markets is self-development. Unexpected situations in person’s life may also force to think new paths and career opportunities. Or then just sometimes it is important to think if sufficient knowledge already exists or could there be something else to do. Education is the most important asset a person can have and which should be nourished. The importance of education does not stop after getting profession but it should to be continuous throughout person’s life.

When a person is thinking about self-development, learning and education, it is good to decide the different ways of learning. Learning can be just updating or increasing the level of knowledge, in some cases new career path is needed. The most important thing is at first get a clear picture of what are the learning and educational needs. They can be set up by employer or person itself. Even though when employer is involved, goals commitment need to be mutual. When goals are clear the next task is to find suitable source for learning.

The idea of self-development goes hand in hand with other major trend in today’s world. World has shifted from industrial economy more to the service economy. People are still expecting good products but even more they are expecting personal service and care. People are seeking to be happy and want to get happiness from everything they are experiencing in their daily lives. They want experiences. Nowadays trend is customer experience and companies are trying to find best ways to serve their customers better. Customer experience is not just what we know about the customer, it defines the aspects how our client sees us. (Meyer, Schwager, 4, 2007). This same applies also in educational service sector. Meeting increasing expectations of the customers’ companies are forced to think more efficient ways to meet both customer and employer expectations.

In order to provide the opportunity for self-development, educational services are offered by various institutions. Cities, communities, institutions, government, trust funds and companies in private sector provide degree, long -or short-term programs or just short courses on certain areas of expertise. In order to meet the needs and challenges of both education and employer, service providers have structured the educational services to be easy to conduct besides working. It is possible to choose whether to attend in virtual courses or will take time to attend actual classes in the schools and institutions. Cost structure of the educational services provided for adults varies. Depending on the service provider educational services can be free of charge or subject to money. For the customer’s point of view it is easy to find the most suitable institution, but what about the service providers? How could they offer experiences

to different customer segments? Can the customer experience be in the same level in educational services depending on the customer segment?

1.1 Background for the issue

In recent years it has been a trend that major educational service providers in Finland have merged from sole providers to service providers with extensive product portfolio trying to meet every customer in education markets. Even though this change is a good by clarifying the educational service sector for customer's point of view, it can be challenging for service providers. Even though the common goal is to offer customer best possible learning experience, when adding some new customer segments, service provider will face also the challenge of cost structure in new products. For example, if a company has previously worked with high profile customers and now wants to expand customer segment to meet the educational needs of unemployed people, can the service delivery process then be the same? Especially when thinking about the gained customer experience and customer service.

1.2 Identification of the challenge

When developing customer experiences, it is important to remember one crucial thing; two thirds is developing people, and only one third is developing processes. Of course processes need to be well planned but people are still the key. When planning processes, it is important that all levels in the company must work together towards the better customer experience. When defining well the service concept it also helps employers know what they are expected, in result to this they will do their work better, and more efficient. When defining service concept, the company is communicating its expectations to the employee. When person knows what to expect from his or her work, this will give more time and energy for a worker to really concentrate and focus on for example on customer service. This also gives for example customer service personnel possibility and more time to collect more insights and ideas regarding how to improve customer service and yet expectations. These issues will be covered more thoroughly later in the thesis.

Sole Molander (Molander, 4, 2013) argued in her doctoral thesis that it is possible for company to be efficient in the service delivery process and still offer great customer experience. She challenged us to think that can we be efficient and profitable if we have totally forgotten the customer. Efficiency is not the same thing as profitability. Quite simply, in order to be efficient a company needs to do the things rights and with a best possible quality. And in order to do the right things companies also need think if they are things that are not necessary. Every company must think if there are any tasks in their processes for without they can survive.

In order to tackle this problem many companies have started to develop their service concepts. This is an asset when thinking about customer experience. Often companies are trying to offer too much for too many different customers without the focus, instead they should concentrate on clear service concepts. In my thesis I will examine what are service concepts and how they can be useful in service business and especially from the customer service point of view. I believe that a clear service concept is a way of services to assure good customer experiences. This also gives a company the possibility of investigating, changing and improving its own processes and to be more efficient. This is why leadership has also an important role in the process. Service concepts can also give competitive advantage for a company when selling its products. Sales personnel can more easily tailor the products and give better estimated cost calculations to clients. Customers will then know what to expect.

1.3. Purpose and goals

The purpose of the thesis was to investigate through a case study how to construct the service concept and also the follow the benefits of creating the service concepts. The goal of this thesis was to create service concept template for the case company in order to help all levels of personnel to understand what is included and expected in service delivery process in each customer portfolio.

The main research questions for this thesis are:

1. Is it possible to offer same level of customer experience to all with different structure?
2. Can designing service concept be used as a tool for a company in service delivery process?
3. Will service concept help company to be more efficient?
4. Is it possible to develop a common concept template for all?

Additional questions for this thesis are:

1. Can creating concepts be useful in service business and especially from the customer service point of view?

Because this thesis was focused on investigating service concepts in the field of educational services offered by private sector in Finland, no investigation for service concepts in the public sector's educational services has been done in this thesis.

1.4 Structure of the thesis report

This thesis report will have the following structure. In the first chapter the background information is given for the thesis. The first chapter will also introduce the challenges, purposes and goals of the thesis report. Even though the thesis report has a focus in the private sector in educational service providers, overall information and key figures of the field is given in chapter two in order for the reader better understand the concept of educational services in Finland. The thesis will also focus in service concepts in general, since the topic itself is a wide and interesting area and because it is important for the reader to understand the possibilities and advantages behind this concept. The third chapter will introduce the theoretical framework for the thesis, where main focus areas are service concept, service-dominant logic and service design methods. In chapter four the case study is presented in terms of methods used. Chapter five consist of conclusion and self-thoughts and learnings.

The content and the design process of this thesis is visualized in figure 1. The case study gives a focus to the thesis and all elements visualized in the process are carefully selected in order to find and create the solution and tool for the case study's purpose.

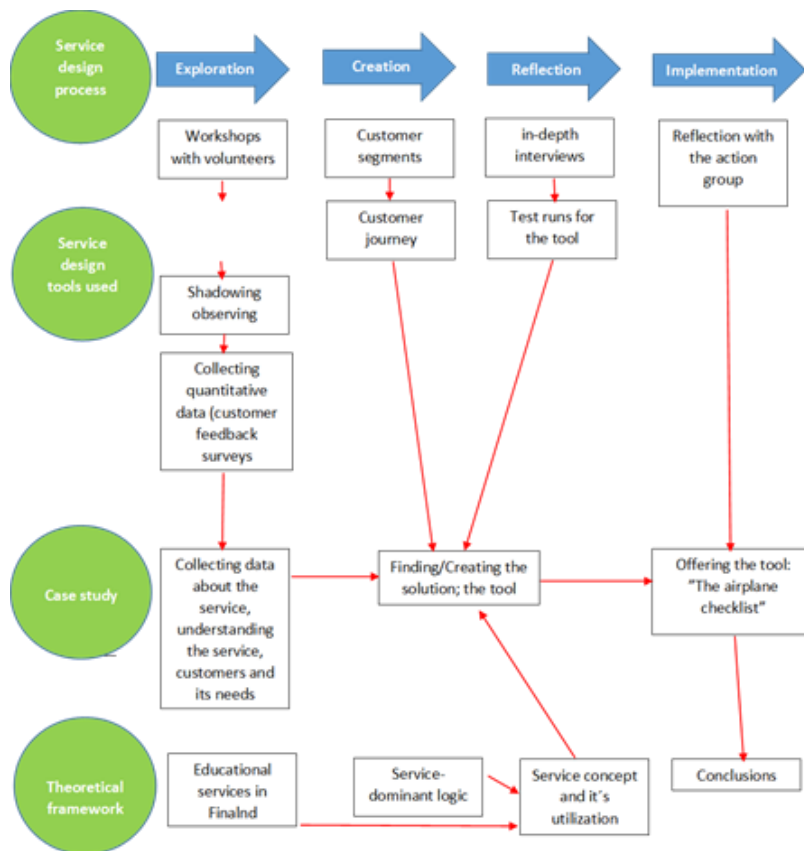


Figure 1: Visualization of the thesis content and topics to be covered

2 Educational services offered for adults in Finland

Throughout the 2000 century the purchases of educational services from private sector has increased. In year 2005 private sector's share as an organizer in education for professionals was almost 50 percent whereas the share of public sector had steadily declined. During ten years the monetary resources budgeted in the personnel has decreased. Due to the changes and challenges in business markets companies are forced at the same time cut down their costs and also think about how to increase and improve their market positions. Companies do acknowledge that their personnel are the key to success, they are the most important resource.

The focus of education is more on solving and coping in the challenges occur in everyday working life and community (Tilastokeskus, 2005). Companies are tackling with the same issues still in 2016 than in 2005. The pressure of cost cutting and increasing markets shares still exist. Worldwide recession, opening of new markets and increasing competition challenge companies to find ways for winning others. In this battle many companies see and understand the importance of education. Partly due to this reason, even though times for companies working in the service sector in general are challenging, there is need for companies providing educational service.

In order to excel they companies to provide personnel ways to increase and improve their knowledge level. The trend is that companies more and more want to outsource to find and educate these high potentials. This is mainly due to lack of resources and money; companies have less resources for expanding for example their production. Also recruiting new personnel is not so high as previously; companies need to find solutions how to tackle in the markets with fewer employment resources. Because of this companies need to also to focus more to find the right persons to do the job. The core group of the company are employees (Viitala, Jylhä, 2014, 216). According to Jim Collins in order to company turn into a great company, leaders need to understand first to find the right people on board (Collins, 2001, 42). This simple truth means that more motivated and focused people there is in the company, the more they are ready to excel and help company to be successful. Companies need to focus on these people, try to help them become even better. Investing in their education and skills can be in the long run more profitable and will give multiple outcomes and results than for example investing the single new production line. When thinking about costs, it is obvious that investing in the education in times of uncertainty and cost-cutting, companies can more easily invest on education than expensive new production line.

There are some challenges educational service companies are facing when competing with each other in the markets. According to an article by Tekniikka and Talous (2005) companies seeking for educational services to their employees are expecting to immediate money back from the invest. The benefits are measured by numbers. For educational service providers this is a challenge, they need to convince their customer that investing in education is a long process and the results will come over a time. Investing in education is at the same time investing in innovation. By sending people to learn more and activating their thoughts to learn and find something new, companies give them opportunity to innovate. In Larry Huston's paper he explains Procter & Gamble's innovative thinking by introducing an idea that company's needs to invest time and money into looking new ideas (Huston, 2004, 193). This is how education should also be seen, not by numbers, but by innovation.

The trend in educational services provided for the companies starting from 2005 has been that more and more companies wanted to have tailored and customized solutions made just for their company. So called professional programs focusing on certain field, for example project management were also popular but the trend was focusing more in tailored solutions. When ordering tailored solution; an education made just for them, company can be sure that the service is tailored for their purposes only, taking into account also its organizational culture, not forgetting the vision and mission. But along this traditional model of education, there is a need for new models and ways for education. As mentioned before markets are changing rapidly and companies see the traditional way of education in some cases too slow and inefficient (Viitala, Jylhä, 2014, 239).

Since the Finnish market for educational services is quite small, companies being in this field need to stand themselves from competitors. There are different ways for keep up with the competition, for example companies have been focusing their business into certain customer segments. There is a variety of companies in Finnish markets, from multinational companies to small one person businesses with different expectations towards training and developing business. Companies operating in the educational service sector need to choose the focus group for their services from top leaders to production level, not forgetting the middle management. In Finland there is a small amount of players in the markets who can offer a large scale of educational services to different customers, despite of customers' size and focus area. In order to get best possible outcomes from their service offering, educational service companies need to find their core concept in order to excel.

3 Key theories and concepts for the thesis work

	Most important scientific sources and references	Key notes
Services Marketing, Service-Dominant Logic	The Service-Dominant Logic of Marketing by R.F.Lusch and S.L. Vargo, 2006 M.E. Sharpe Inc. and Service-Dominant Logic, Premises, Perspectives, Possibilities by R.F.Lusch and S.L. Vargo, 2014, Cambridge University Press	<ul style="list-style-type: none"> • <i>Services are application of specialized competences or operant resources (knowledge and skills) through deeds, processes and performances for the benefit of another entity.</i> • <i>Knowledge is the fundamental source of competitive advantage (foundational premise four)</i> • <i>Primary flow is the information. For example value chain includes also all the information that flows within a company and between the company and its suppliers, its distributors and its existing or potential customers.</i>
Customer Experience	The value creation of a business customer in nature-based tourism service – The service-dominant logic perspective by L. Alakoski, 2014 University of Helsinki	<ul style="list-style-type: none"> • <i>Customer experience is created during use of service and in service context.</i> • <i>Customer experience is created together with the customer and customer service personnel. Personnel need tools, motivation and knowledge in order to deliver expected experience.</i>
Service Concept	The service concept: the missing link in service design research? by S.M. Goldstein, R. Johnston, J. Duffy, J. Rao, 2002, Journal of Operations Management 20	<ul style="list-style-type: none"> • <i>From the service organization's perspective, designing a service means defining an appropriate mix of physical and non-physical components.</i> • <i>Regardless of how the service organization defines their service and how customers perceive the service, a delivered service should function seamlessly for customers to perceive it correctly</i> • <i>To ensure that the service package and service encounter fit the needs of the customer and the service organization itself, organizations must focus on the design and delivery of their service concept.</i>
Customer Value	The Use of organizational capabilities to increase customer value by S. Martelo, C.Barroso, G. Cepeda, Journal of Business Research 66, 2013, Elsevier Inc.	<ul style="list-style-type: none"> • <i>A firm's organizational capabilities have huge importance for increasing customer value creation.</i> • <i>Customer value results from a firm's ability to use its resources to achieve its desired aim.</i> • <i>Firms can create superior customer value once they begin to manage the existing information internally.</i>

Figure 2: Key theories and concepts for the thesis work

3.1 The introduction to service-dominant logic

The service-dominant logic (S-D logic) is an alternative view for economics to see and handle the economic exchange. This logic is an opposite way of thinking for goods-dominant logic (G-D logic), where tangible products are seen as creating value to customer and the exchange of goods are the central components of business and economies (Lusch, Vargo, 2014, 4).

According to S-D logic value is co-created together with customer and not only products are exchanged, but also services which are combination of specialized skills and knowledge. In private educational service sector the value for the customer is created through services; combination of skills and knowledge. The knowledge is the exchange item. There may be an end-product, for example a degree diploma, but all the value is created through knowledge and skills. The knowledge and skills are delivered through different performances and processes, where vital players are of course instructors and content designers but major role has the customer service personnel.

One of the research questions of this thesis was that is it possible to use service concept as a tool for a company, in this case for an educational service company operating in private sector, in service delivery process. I see that this possible tool is a way of exchanging the knowledge and skills to the customer, not only the end-customer, but also company's internal customers. According to Lusch and Vargo (2006, 4) services are application of specialized competences or operant resources (knowledge and skills) through deeds, processes and performances for the benefit of another entity. This description gives the base for the thought that harnessing the knowledge and skills into a concrete tool through service delivery process can help delivering the best possible service.

3.2 Operant resources and customer service

According to S-D logic, there are two types of resources: operand and operant (Lusch, Vargo, 2014, 13). In G-D logic the focus is more on operand resources, whereas S-D logic is focused more on operant resources. The distinction between these two is that operand resources are goods, in order to create value and they need other resources, whereas operant resources will create the value for the actual product; they can make the actual product unique.

As mentioned before, one of the key players in creating the value for the customer in educational service company is the customer service personnel. I see them to be one of the most important operant resource creating value to the customer, due to this reason more information regarding operant resources is part of the thesis. In this thesis the major focus is customer service personnel and their knowledge and skills. According to Ritva Kinnunen (2001, 18) a service is produced is a service production process. In this process the personnel have a vital role. Their skills and knowledge not forgetting personal characteristics, will mold the service itself and the way customers is perceiving and evaluating it. Quite often these resources are tacit routines or operations or in other words; knowledge and skills, which can be turn into public when conducting service concepts and focusing on processes within them.

It is very important in private educational service sector to focus on straightforward and easy service. The main focus is learning and quite often customers, or in other words, students are simultaneously learning and working not forgetting their responsibilities in private life. The combination is challenging; therefore, it is crucial for service personnel to create an environment where the student can focus only learning. The same applies also in other important customer segments of educational service company. Instructors and content designers play a key role in service and it also important to create a smooth and easy experience for them so that they can focus on their core task; learning.

3.3 Foundational premises

According to Lusch and Vargo (2014, 53) all logic are based on premises. The structure of S-D logic is formed by these premises. The reason why foundational premises of S-D logic are introduced in this thesis is that it is important first to understand the logic of the service before it can be redesigned or innovate. The first foundational premise is as follows. "Service is the fundamental basis of exchange" means that when people are exchanging goods they are using their skills and knowledge to create more value to the other party. Goods cannot be exchange without the service. It is more satisfactory to live when people are serving each other and do not try to cope by themselves (Lusch, Vargo, 2014, 58). By exchanging skills and knowledge economies can benefit from each other. "Indirect exchange masks the fundamental basis of exchange" means that service is not just from one party to another, but there are many other factors or intermediaries that are also part of the service exchange. "Goods are distributions mechanism for service provision" means that even though the importance of service has been addressed in previous text, goods are indeed a vital part of economic exchange. After all, in many cases goods are part of the service provision when service is provided through a tangible product (Lusch, Vargo, 2014, 63). The foundational premises are illustrated in figure 3.

3.3.1 Knowledge and skills as a source of competitive advantage

"Operant resources are the fundamental source of competitive advantage" illustrates the importance of knowledge and skills in economic exchange. Without these, no goods or operand resources are useful. Making knowledge and skills public to everyone increases also communication, involvement and deep commitment to working across organizational boundaries (Lusch, Vargo, 2006, 10). This can give a company significant competitive advantage.

As mentioned before, especially in this thesis the exchange of knowledge and skill of educational service company's personnel have been taken into consideration and I want to show how important role knowledge and skills have when serving people from various backgrounds but who are at the same point aiming towards same goal, learning.

FPs	Foundational premise	Explanation
FP1	Service is the fundamental basis of exchange	The use of knowledge and skills is a basis of exchange
FP2	Indirect exchange masks the fundamental basis of exchange	The service itself cannot always be seen directly due to the different combinations of other elements of service
FP3	Goods are distributions mechanism for service provision	Goods bring value through use
FP4	Operant resources are the fundamental source of competitive advantage	Company needs to have selected human skills, logistics capabilities, knowledge bases or other service strengths that competitors cannot reproduce. That will also add greater value for the customer-> competitive advantage
FP5	All economies are service economies	Service is nowadays more visible than previously due to the differentiation of specialized skills and outsourcing
FP6	The customer is always co-producer the customer is always the co-creator of value	Customer brings/creates value. Service needs to be customer-oriented
FP7	The enterprise cannot deliver value, but can only offer value proposition	Firm can only make products and harness specialized skills and knowledge into it, but it cannot alone create value
FP8	A service-oriented view is customer-oriented and relational	Service is co-created with customer, that is why it is naturally customer-oriented
FP9	All economies and social actors are resource integrators	Every actor in the network for service creation and production is as important as other
FP10	Value is always uniquely and phenomenological determined by the beneficiary	Value is unique, based on each customer's own experiences

Figure 3: Ten foundational premises of service-dominant logic (Lusch and Vargo, 2014 and 2006)

The competition in Finnish educational markets is heavy and when companies are competing with in many cases similar types of educational trainings, the customer service during these trainings can give the companies a competitive edge. Even though this next example is not coming directly from the Finnish markets of educational services, by this example I want to show the importance of easy and flowing customer service during the training period. Every year the Financial Times is publishing ranking lists of world's business schools and executive education companies. The objective is to rank the schools and companies which are educating

future leaders of the world's and nations' economies. Several criteria are used when putting the schools into order, for example how schools are managed with meeting professional expectations, teaching faculty and giving tools for new way of thinking. According to latest ranking which was made in year 2016 also school facilities, teaching environment and support, both formal and informal were ranked of the key aspects of the training by students. Even though there are not so many Finnish companies participating in this ranking, I see that this worldwide view from students can be applied also in Finnish markets. The results of these kind of rankings will show why especially the fourth foundational premises of S-D logic is important in this thesis. I believe that when focusing on developing and distributing knowledge and skills internally, an educational service company in Finland can stand out from its competitors.

3.3.2 The customer experience and customer value

Nowadays' trend is customer experience and companies are trying to find best ways to serve their customers better. Customer experience is not just what we know about the customer, it defines the aspects how our client sees us. (Meyer, Schwager, 2007, 4). This same applies also in private educational service sector. Meeting increasing expectations of the customers, companies are forced to think more efficient ways to meet both customer and employer expectations.

Customer experience is an essential part of customer satisfaction, if customers are not satisfied with the service, they probably will not return. Customer satisfaction is essentially the culmination of a series of customer experiences or, one could say, the net result of the good ones minus the bad ones. (Meyer, Schwager, 2007, 2). This is why companies are now trying to produce the best possible customer experiences to score best possible customer satisfaction outcomes. The importance of word of mouth is increasing since most of the products and service reviews are now found from social media such as from Twitter and Facebook. These same things apply pretty much in everything, choosing a hairdresser, pair of sneakers or just new business partner. In order to conduct best possible customer experience, internal processes supporting this action must be in order. as mentioned already previously, if not everyone who are part of the service delivery does not know what is expected or what is the goal of the service, then the customer experience may not be fulfilled in best possible way.

One of the foundational premises of S-D logic, "the customer is always the co-creator of value" shows importance of a customer and also the insights the customer is providing. There are several ways to engage customer into the process directly or indirectly, the selected methods and tools which were used in this thesis will be introduced later. The value of a product becomes visible to the customer when it is used; not when it is bought or produced.

The value creation is always the combination of usage of the product or service with interaction of the customer and service provider. The reason why I am addressing the importance of this premise is that this is closely linked with the customer value and customer experience.

As mentioned before value of the product or service does not come directly from product or service, it is a sum of many components and is co-created with the customer. Customer determines the value. In 2010s when companies are competing with each other, they are competing with customer value (Alakoski, 2014, 36). It is also important to realize that the value will come gradually and when it is evaluated the whole journey, or the experience will be taken into account. Both value and experience are co-created.

3.3.3 The utility of service concept in knowledge and skills sharing

The importance of this specific premise and also customer value and experience for the thesis is explained further. Customer experience is created together with the customer and customer service personnel. Personnel need tools, motivation and knowledge in order to deliver expected experience. In her doctoral thesis Leena Alakoski writes how company should concentrate not only creating best possible customer experience to customer but also to the customer service personnel. The customer service personnel need appropriate tools, motivation and readiness in order to produce the desired experience (Alakoski, 2014, 66).

Customer service personnel need to know the whole offered service in order they will know what to offer to the client. Simply, personnel need to know what to do. When they are certain what is expected, they are motivated. When Jim Collins was investigating how companies can be from good to great, he found out that people are not company's important asset but the right people are (Collins, 2001, 13). Richard Branson has pointed out well one thought. According to him if personnel is product of the brand and the company, they will do their best in their work. (Richard Branson in Ted, 2007). This is quite general thought but it builds the premise of processes which are needed in service concepts.

In order to be certain they need directions and guidance. Firms can create superior customer value once they begin to manage the existing information internally (Martelo, et al. 2013, 204). According to Payne et al. (2007, 91) Schemas or 'scripts' on how to use or interact with a product or service can be useful tools in enhancing customer learning. I see that in educational service sector these schemas or scripts can be utilized in learning for customer service personnel. When thinking about educational service sector in Finland, there are many customer segments in the field. Some companies are focusing on a specific segment offering them tailored training services, for example training in information technology field. It can be that the customer service personnel will face challenges when different customer segments

are involved. For example, when an educational service company has customers coming from executive management level and from middle management level, the challenge is that even the service concept for executive management level may be different from middle management, for example the content of the training differs, but the customer service experience needs to be equal to every customer. Regardless of how the service company defines their service and how customers perceive the service, a delivered service should function seamlessly for customers to perceive it correctly (Goldstein et al. 2002, 122)

3.3.4 The importance of economies, company and other parties in service-dominant logic

“All economies are service economies” explains in another way the importance of services. The goods need specialization and services have characterized the essence of economic activity (Lusch, Vargo, 2014, 68). “The enterprise cannot deliver value, but can only offer value proposition” is following the thought about the importance of customer value. A company can make the value proposition in terms of product or service but directly they cannot create value. The importance of customer continues in a premise “a service centered view is inherently customer oriented and relational”. Due to the fact that customer plays the number one role in value creation then service must be customer oriented. “All economic and social actors are resource integrators” explains the importance of other participants of resources in economic exchange. Not only customer and supplier are doing the business and creating value, behind the product or service there is other factors too affecting on the value creation. For example, other suppliers of the service provider, the infrastructure of a nation or a friend of a customer. All these factors may have impact on how value is created. The final foundational premise, “value is always uniquely and phenomenologically determined by the beneficiary” means that every event of service exchange creates a different experience which leads to the result that every service experience is valued differently and will not create the same amount of value every time because the service situation is different depending on for example the settings, the place or just the mood of the user. Customer’s evaluation is also based on different emotional experiences during the process (Grönroos, 2004, 103). The rest of the key concept such as service concept and servicescapes will be covered later at the case study section.

4 Case study: Designing/developing a tool of service concept for private educational service sector

4.1 Introduction to the study

The discussions with the case company began from the situation that company faced a new situation with new service products, new customer segments and also new personnel. There were lots of knowledge inside the company about the products and customers, but the situation also was that not all of the knowledge was in everyone's use. The knowledge between the customer segments was not allocated evenly inside the organization. At the same time case company wanted to learn the way to constantly develop and improve the customer service. By doing that they wanted to learn about the different customers, who they are, what they want and how they feel when using the service.

According to Lance A. Bettencourt the service innovation is the process of devising new or improved service concepts that satisfy the customer's unmet needs (Bettencourt, 2010, 189). In other words, when developing or creating a service, company needs to know and understand the customer. But understanding is not enough, the results of understanding needs also take into action. When creating the service concept, company can put the understanding into concrete action points, easy to follow and for everyone in the organization to understand. One may think that in terms of service innovation this approach may be too disciplined, but when the core elements of the service are understood and documented it will help the company to think and create new innovate elements around the actual service. At the same time possible challenges and problems in delivery and development may be avoided (Bettencourt, 2010, 189).

After conducting the case study, it was realized that the study was in fact a part of company's service strategy. The questions where answers were needed were: *What are the needs of important market segments? What other characteristics do segment members have? What service elements of unique value will offer to customers?* (Bettencourt, 2010, 190). It needs to be remembered that in this case study the focus for answering these questions was mainly on the customer service personnel level and the answers of the study were focusing of improving the service on their point of view. Through the customer understanding the study also wanted to find new tools for the personnel to conduct the service as well and efficiently as possible. By finding the balance between superior and cost-efficiently customer is a challenge for-profit service organization (Fitzsimmons J., Fitzsimmons M., 1998, 239) where they need to at the same time keep the costs low and give superior customer experience. In these organizations the standardization of delivery is a challenge, there may be lacking the personal touch in the service. As mentioned before when documenting all the basic and necessary el-

ements of the service will not only satisfy customer needs, but will also help to innovate the service even further without any additional costs.

4.2. The understanding and creation phase

All service innovation starts from the understanding; understanding the customer, understanding the service and understanding the process. In the case study the starting point was that not all levels of the organization were familiar with all customer segments. First it was needed for the customer service personnel to be familiar with all their customer segments. Poor or lack of understanding of users' requirements increases the risk of not meeting users' needs (Sim, Brouse, 2014, 238). Often companies are focusing on the quantitative methods and tools when gathering insights about their customers. Even though this is a really good way and insights of the customer surveys also are part of this case work also, one may argue the validity of customer insights only based on the survey results and analysis. It may be that in surveys customer give answers they think are expected; how majority of customers would think. Their own individual opinion may not be transferred through the survey, but when combining the quantitative (feedback surveys) and qualitative data (personas, shadowing) the knowledge of customers is bigger (Nilsson et al., 2010, 288). The target of the understanding phase was also to find out how customers are feeling and experiencing the service and what could be the elements in the service delivery they need and appreciate. The service experience consists of different kinds of events and settings (Helkkula, 2010, 30) When understanding the customer, it is also important to understand which elements in their own service experience they appreciate and need.

4.2.1 Personas

When using personas as a tool in services innovation processes, designers often gather a data which is a base for the persona creation. When collecting as much data as possible from internal and external sources filling out the persona is much easier (Pruitt j., Grudin J., 2003, 2). The creation of personas is data-based (Brigham T., 2013, 444). When creating the personas for case company's customers, it was important to collect the data internally; from people who are in touch with the customers and spend time with them. In order to design for users, deep understanding regarding the customer is needed first (Portugal, 2013, 2). Due to the nature of the business the case company it is the customer service personnel who creates long-term relationships with the customers by getting to know customers' personal interests, wishes and needs more concrete than in for example a basic call center customer service situation. They are familiar with the quantitative data behind the customers and also the market where they are operating. At the same time, they are in close interact with the physical space; the space where interaction is mostly occurring. Involving the stakeholders and other

team members increases the accuracy of the persona and creates a level of awareness about the users that helps the team align around them. As people become familiar with the personas, they start talking about them as if they were actual people. (Kreitzberg, Little, 2009)

One disadvantage to using personas in service design is that they can risk stereotyping the user (Brigham, 2013, 446). The word customer may represent many different types of users (Sim, Brouse, 2014, 238). In order to avoid this the task in the workshop was to create three personae, each personas representing one customer segment and trying to create different kind of users. When creating different personas, it was secured that all aspects and insights of various customers were taken into account. Personas need to be realistic (Brigham, 2013, 446). As a rule of thumb three or four personas are enough for the most projects in order to get good insights about the topic investigated. The starting point is primary persona in mind and then test the persona against the secondary personas. Testing if unmet needs of primary and secondary personas are similar design to address any unmet needs of secondary personas. (Kreitzberg, Little, 2009).

A joint workshop was held with fifteen persons. Attendees were all close to dealing with customers, either in selling point of view, training content-wise or in customer service. had an opportunity to share their insights about different customers. Previously not all of the personnel were familiar with all different customer segment in the company, which in some cases made the service delivery challenging when there was an uncertainty what customers were expecting.

First it was need to get to know different customer types. The first task was to create personas, the prototypical users with name, faces, interests and preferences (Massanari, 2010, 401). Personas are character profiles that represents a group of actual users, but they are not real people (Brigham T., 2013, 444). Creating different personas gave to the participants in the workshop insights of their customers, who they are, what they expect and need from the service. They key successful persona is how engaging it proves to be (Stickdorn, Schneider, 2011, 179).

There are different versions of templates which can be used when creating personas. In the workshop of the case company's customer service personnel the basic version of the template was used. The template illustrates the very basic elements of the customer such as age, gender, marital status, a family, hobbies, workplace, education and also some values and life-style factors. The participants were also asked to illustrate their persona with a fictional picture. As mentioned above, in order to start thinking the customer profile and the learning process, three personas were created in the workshop.

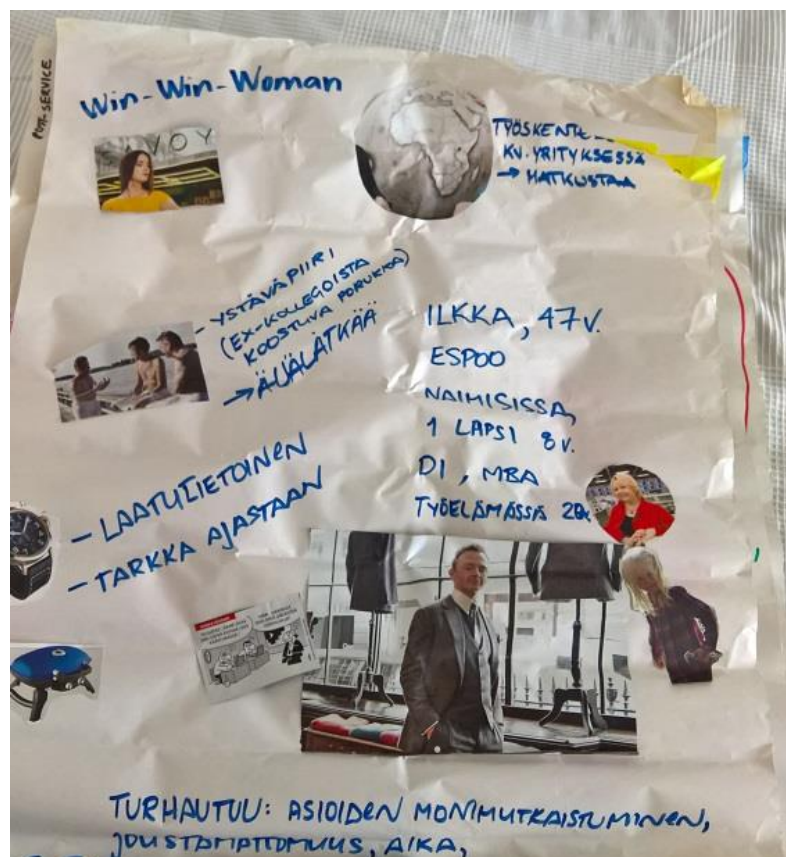


Figure 4: Persona 1, Ilkka

Persona 1, Ilkka

Summary:

Ilkka is 47 years old, married and has one young child. For his whole life Ilkka has been a result-oriented person, focusing on developing himself through education and work. Career is really important to him and his social life is wrapped around the work. He understands the importance of networking and almost every one of his friends are his work colleagues. Ilkka does not see the importance of social life other than enhancing his career. He rewards himself rather with an expensive item than just free time for example for his family. For Ilkka time is money and he wants things to be done as rapidly and efficiently as possible.

Analysis of Ilkka:

Ilkka represents the type of customer who sees and understands the importance of education as a tool for improving his career. From educational services Ilkka expects high quality, efficiency and communication. A little bit of luxury is also appreciated. He sees educational services as a social benefit, by expanding his private and career network. Even though he has high expectations he is content when things are working as promised. For him product, price and place of the educational services are important.



Figure 5: Persona 2, Miko

Persona 2, Miko

Summary:

Miko is 36 years old, married and is a father of a toddler. Miko has been in one company after graduating from university. He is hard-working and has got some promotions over the years, but feels that he could do better. But he does not want to take huge risks, he is content with his life style and will rather maintain that than take huge risks in his career path. He and his friends has a similar kind of life situation and they are having the same hobbies, “trend hobbies”, like golf and triathlon. Miko has a safe life and is always going “with the flow”. He is trendy and hip.

Analysis of Miko:

Miko represents the type of customer who wants to have more from his career but is not keen to make huge investments. He is appreciated in his workplace and due to that is offered a training program to attend. Miko wants everything to go smoothly during educational training without minor efforts from his side. He is precise and is attending for the trainings but is not keen to share his private life with assignments and readings. For Miko most important areas are place of the training and its physical evidence, not forgetting the people, he needs to feel himself to be appreciated and taken care of.



Figure 6: Persona 3, Timo

Persona 3, Timo

Summary:

Timo is 42 years old with atypical set of a family; a wife and three children. Timo has taken risks in his working life and they have paid off. He is enthusiastic, keen for trying something new and wants to develop himself all the time. He is not so keen on grades or titles; he wants to do everything he working on well. He has been used to uncertainty during his working life. He is liked in his workplace and among his friends and family. Everything seems to be easy for him, he will have time for his work, family and also hobbies. For him hobbies are activities he can do with his family not depending on the time or place. This kind of lifestyle requires that everything will go well in every aspect of his life. And if not, he gets irritated.

Analysis of Timo:

Timo represents the ideal customer, he seeks himself information regarding different educational training services, contact and buys. He gets to know with people easily and focuses fully on the education during the training days. For him product, in this case, content of the training needs to be order. Also processes of the training path needs to be in order and good customer service is appreciated.

4.2.2 The next stage: Creating customer journey maps

After the participants created fictional customer characters, the next step was to create a customer journey map for each persona. At this point it was decided to use all created personas as primary. After brief analysis of the personas, it was important to investigate all of them more carefully since the characters illustrated important elements of a typical customer of a case study. None of the characters could leave out from the next stage; creating customer journey maps.

One of the aim of service design is to look at the experience by focusing on the full customer journey, including the experiences before and after the service encounters (Mager, Sung, 2011, 1). Through this knowledge the customer understanding becomes more deep and comprehensive. The customer journey map is good visual tool to illustrate what are the possible gasps and highlights of the service from user's point of view. It is also good tool for a platform for designer and company representatives (Miettinen, Koivisto, 2009, 189). After discovering the gasps and highlights, creating or improving the service is once more a little bit easier.

The experience of service consists of service moments; encounters or episodes where production and interaction between customer and service provider happens (Miettinen, Koivisto, 2009, 142). In the case study the need for investigating these moments was important because one the goal of the study was to find at the same time similarities and differences between different customer types. Every customer is different. Customer journey map can help to find customers' primary behavioral models to consume a certain service can be found. In this way a service can be designed to meet most of the certain customer segments' needs (Miettinen, Koivisto, 2009, 143). The challenge of the case study was that the company wanted to understand if there were differences and similarities between customer segments and which were the main elements needed to conduct a successful customer service experience. Connecting these moments, the customer journey maps were created. When discussing with the case company about the methods and tools used for the work, one of the main rules was that engaging personnel to the study is important and customer engaging is going to be as discrete as possible. Even though it was clear from the beginning that using this kind of approach the outcomes and results may be merely from the certain group's point of view, it was believed that the vast knowledge of customer service personnel relating the behavior of customers could give really good insights for the study in terms of exploring the service. Customer journey mapping is a good tool for increasing the understanding of the context of case study's customers' expectations and experiences. (Miettinen, Koivisto, 2009, 73). The power of the customer journey mapping is that when the customers' interaction history can be visualized and connect the dots, it will enable a company to gain better insight about the cus-

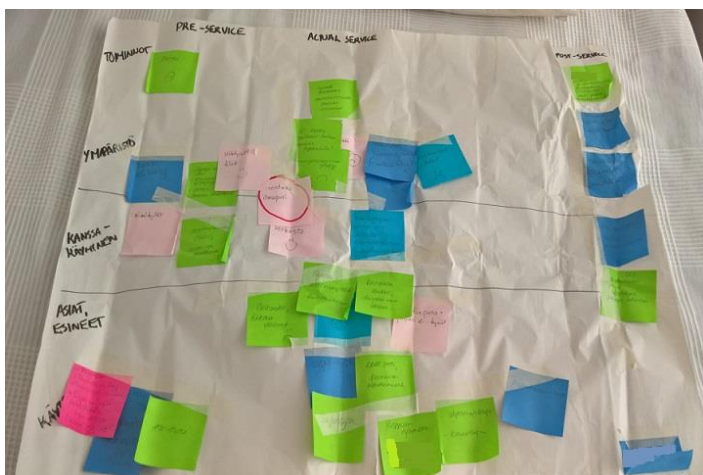


Figure 8: Customer journey for persona 2, Miko

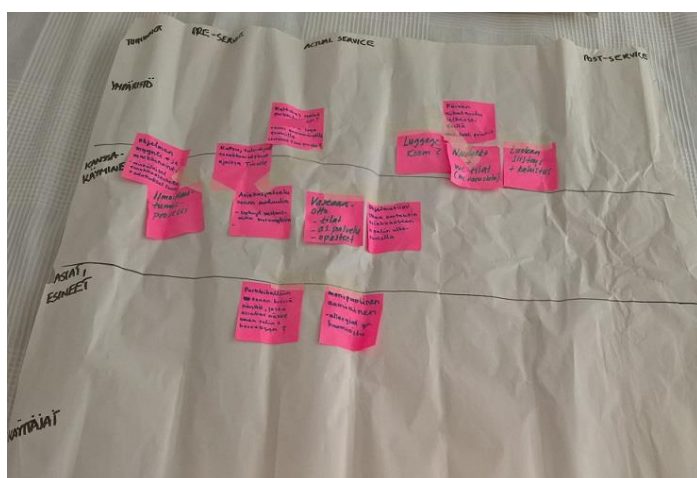


Figure 9: Customer journey for persona 3, Timo

The touchpoints in customer journey map are divided into four groups, channels, objects, processes and people. Participants of the workshop were asked to think based on the personas created earlier how would their journey be when having a training day. the goal was to find out the similarities of the journey, what are those most important elements for a customer attending for a training. Also, are there some elements which could improve or change in order to make the customer service process more efficient and precise.

One of the main focus in fictional customer journey maps were channels. Channels are environments, spaces and places where the visible part of the service production happens (Miettinen, Koivisto, 2009, 145). Especially physical channels such as the actual place, décor and people flow were important to investigate in order to find out the possible element which are slowing down the service process. When measuring the effectiveness of the service the environments and all other tangibles play an important role for a customer. (Shostack, 1984, 136).

What was similar in all customer journey maps and their channels, it was obvious that regardless of which segment the customer was representing, for all the functional training venue was important to all. Time is a huge invest for people and when they make the decision to attend for a training session, they expect the place to be workable and stimulating. It is good to remember that the presence of the customer during for example training days, requires attention to the physical surrounding of the service facility (Fitzsimmons et al., 1998, 28). According to results, the ideal training venue for a customer would be big enough, clean, with good air-conditioning, workable furniture and Av-equipment. When this result was analyzed in terms of efficiency of customer service personnel, there was a need to think in which ways the service personnel would make the space to be appealing or why the venue was not in every training similar. The next question was: What were the processes before the actual training day and which processes took more time? The aim was to find out the way on how it would it be possible at the same time to give the best possible training venue to customer and increase the efficiency of customer service personnel when preparing the classroom.

Due to the reason mentioned above processes and procedures of the fictional customers' customer journeys were also carefully investigated. The aim was to find the main processes and procedures customer need and appreciate when being part of training program, such as bigger processes, for example delivering the pre-preparation material to students well in advance the actual training. The importance of small details, practices, were also discovered and examined.

In the customer journey maps two other touchpoint categories are of course equally important as ones mentioned already above. One category is objects, which are visible tools, things and machines which customer or personnel use. (Miettinen, Koivisto, 2009, 147). When analyzing the customer journey maps there were certain tools and procedures which in every customer segment group were important. Also as result, new suggestions for different tools and processes were introduced due to small brainstorming among the personnel during the workshop.

People have a central role in service delivery. In overall the case study was focused on the customer service personnel and how their work could be helped when dealing with different customer segments. When there is people involved in customer service delivery, there is also higher risk of variation of service quality (Shostack, 1984, 136) Customer personnel should focus on roles which are most useful and appropriate and the division of responsibilities should be clear (Miettinen, Koivisto, 2009, 148). When creating the journeys, it was easier to identify which personnel groups were important for a customer and how the role of customer service personnel was seen internally. When identifying the main responsibilities and tasks

with clear divisions and rules of the customer service personnel it is easier to focus on the core tasks of the service.

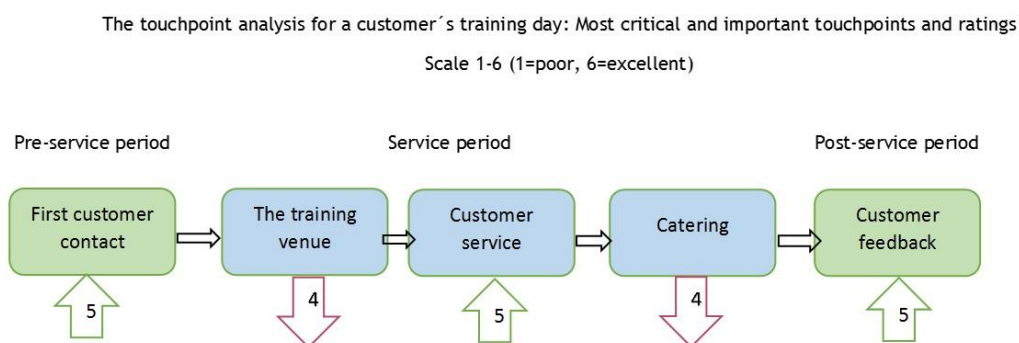


Figure 10: The touchpoint analysis (model by Marc Stickdorn, Miettinen, Koivisto, 2009, 260)

4.2.4 Engaging customers, using surveys as a quantitative data for customer understanding

As mentioned previously in the text, the challenge for conducting this project for a case company was that engaging customer was supposed to conduct as discrete as possible. Of course it was realized that the need for customer interaction is essential in order to deeply understand and also to find out what are the essential basic elements customers need and expect from the service.

Co-creation is one of the driving forces, involving users, employees and other actors in order to integrate the expertise of those that are in the heart of the service experience and mobilizing energies for change (Mager, Sung, 2011, 1). One of the task of the case study was to find right tools for engage customers for this work in order not ask some extra time from them besides time they already were pending when using the service. For the customer, for example the surrounding and the design of facilities of the service play important role when creating the service experience (Fitzsimmons et al., 1998, 29). The customer can play the active part in service design process without investing any extra time. They can also be part of the co-creation without they actually are aware of it themselves. This can be possible when right tools are selected.

In this case study different approaches in order to engage customers were used. One of the easiest way to get customer perception are customer surveys. A survey or questionnaire is a forms designed to obtain information from respondents (Sauro et al. 2012, 185). As a one form of quantitative data, at its best surveys can give objective and accurate information due to the fact that they are standard to everyone and can be analyzed using statistical techniques (Westat, 2010, 52). Surveys which were examined for the study followed the typical

survey form including open ended comments, Likert-type rating scale data concentrating on specific areas (Sauro et al. 2012, 15). Using surveys as a one information source for the study helped gain wider perception about customers' feelings towards the service. When surveys are kept standardized to each customer group it can be repeated used and at the same time the information about specific issues can be obtained to various customers.

For the case study the selection of surveys and answers were selected following the selection of different customer segments. Four different types of customer groups were selected. As a common factor to these all groups were that duration of training lasted minimum three months and multiple in-class training days. Also all programs were so called on-going programs, neither of them had final training day during the study. Since the survey templates followed the same form, it was easier to concentrate on certain topics, in this case it was the customer service and customers' feelings toward different elements of customer service. When collecting and analyzing the surveys the focus was to investigate the open-ended comments left by customers in order to find out what were the issues that were left into their minds so strongly customers felt commenting on them. For the analyzing four student groups were selected, altogether 89 students. The average for response rate of feedback surveys among the students was 69%. all of the students had an average fifteen days training days. The more specific statistics is illustrated in Figure 11.

Statistics about surveys' analyses	Amount
Total amount of persons surveys sent to:	89
An average amount of respondents:	61
Response rate:	69 %
Amount of open-ended comments:	103

Figure 11: Statistics about surveys' analyses

The open-ended comments were then categorized into three groups; facilities and premises, catering during training days and customer service based on the given comments (Figure 12).

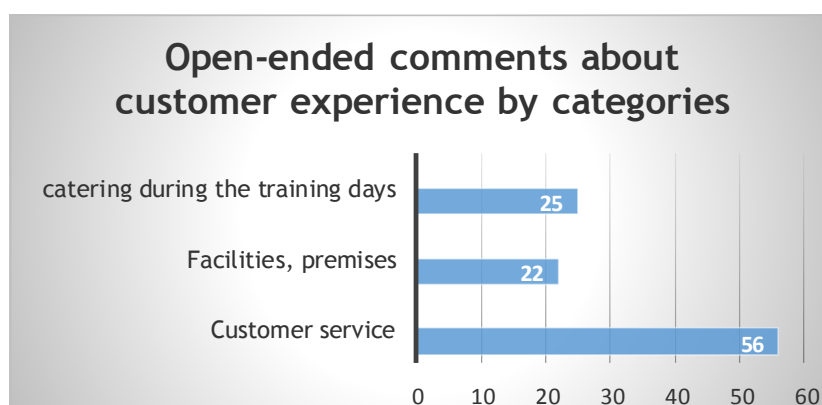


Figure 12: Open-ended comments about customer experience by categories

The categorizing gave an overall picture what are the most important elements for customers during the customer experience. Not all of the elements are constant for each customer group and after categorizing the focus was to investigate each comment in every category and try to find out the specific events or incidents customers experienced so strongly they wanted to make comment about it. According to the analyzing phase the most common incidents or parts of customer journey for customers on the basis of open-ended comments are presented in the figure 13. These discovered parts were combined with other results later in the study.

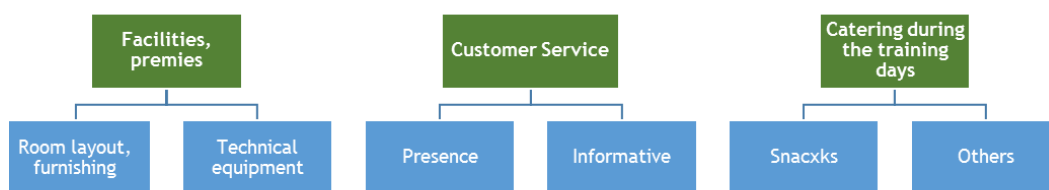


Figure 13: Most common incidents or parts of customers' journeys based on the analysis of open-ended comments

4.2.5 User observation and shadowing

Quite often, most customers are not so eager to tell that something may be wrong in the service (Goldstein, 2009, 6). Even feedback surveys may not tell what customers think about the service because the answering rate may not be high enough. Or people are conducting the surveys in a hurry without fully concentrating on giving comprehensive answers to the questions. This is why engaging customers in other ways to service design process is essential.

As mentioned previously in the text, engaging customers in the service design process without their knowledge can be challenging but still possible to conduct. When focusing on the customer's behavior on real life situations can reveal some tacit knowledge about the service user. Service situations may include this tacit knowledge where users are saying one thing but do the opposite (Stickdorn, Schneider, 2011, 156). Using shadowing as a service design tool reveals how people use the existing service. It also involves observing a user directly to identify and understand their needs.

After identifying the customer types and the major touchpoints of their customer journey, the next step was to combine and test these results with real user experience. The aim was to really spot the moments in the service situations at which problems occur (Stickdorn, Schneider, 2011, 156) in order to focus and discover the solutions for the problems later on in the case study.

After creating personas and customer journeys maps introduced previously in the text people in the workshop were ask to conduct assignment for the study. All persons who attended to the workshop were invited together with the staff who were not able to attend for the actual workshop. the invitation to the post-assignment was to send altogether to 28 persons. The post-assignment consisted of three parts and questions. (see figure 14).

POST-ASSIGNMENT

ASSIGNMENT QUESTIONS

1. Shadowing, co-creation with customers
 - a. Explore the behavior of customers in different service situations. You can focus on a certain part or situation in the service process or then try to catch a holistic view of the whole service experience of the customer.
 - b. When having a contact (discussions etc.) with the customers, try to make leading questions regarding the service in general, specific tools or certain single service used, or certain touchpoints discovered in the workshop in order to find out customers' feelings and opinions about their service experience. You can also observe about the customer behavior in general throughout the service process.
2. For the next three weeks try to find out at least three ideas who the customer experience could be improved. These thing can be ideas regarding customer journey touchpoints such as improving the service process, physical environment, certain tools, etc. We also encourage you to go "out of the box", also wild ideas are welcomed.
3. For the next three weeks try to think as many tasks and/or jobs (if there are any) that are currently part of the service delivery process and which you think are unnecessary. The idea is to find out could it be possible make the process more straightforward in order to increase the efficiency of the service personnel. But when thinking about these possible tasks, remember whole time that the customer experience cannot be affected if deleting certain tasks form the delivery process.

Figure 14: Post-assignment questions

The idea was that each participant individually thought about the questions mentioned in the figure below and after three weeks would submit the answers, thoughts and ideas back. the style of report was free. The shadowing was the most important part of the post-assignment. After three weeks the results and ideas were collected together. The rate of the post assignment submission was left a little bit low which made little bit challenging to connect the observation results to the previous results from the workshop. altogether nine assignments out of 28 possible assignments were received. All participant who submitted the answers were using written reports when answering to the questions. When shadowing customers, the methods of notes taking were taking notes and observing the movements of customers during the service delivery process.

After that the results of the answers and notes of the post-assignment were documented in a one report and analyzed. The idea was to find out which elements have the same importance when comparing the customer journeys of fictional customer characters and insights and experiences of actual customers. From the figure 11 the results and most important touchpoints of the shadowing are presented.

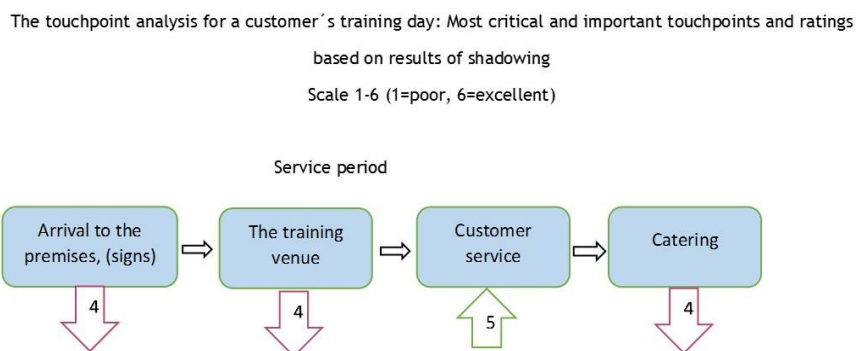


Figure 15: Shadowing results (model by Marc Stickdorn, Miettinen, Koivisto, 2009, 260)

4.2.6 Analysis of the understanding phase

In the understanding phase of the case study the target was to get to learn the customers; who they are, what do they expect from the service and most importantly which are the similarities and differences between the different customer segments. After close investigation clearly the most critical touchpoints of the customer experience during the service delivery are the training venue as such, the functionality of the premises, easy access to the premises, customer service and supporting operations such as catering. Customers are appreciating the same elements of the service, basic functions which will make their days easy to handle and go smoothly.

Any particular differences between different customer segments regarding these elements were few, customers were positively surprised about the unexceptional features and functions occurring during the service delivery such as special delights which were addressed to them. The challenge of these delights is that when experiencing them once, customer will expect them to happen every time during the service delivery process. When starting to give those small delights to the customers, that needs to become constant process. Customer service personnel need to make those delights same way twice, otherwise it is a phenomenon, not a theory (Gross, 2004, 8). The definition of customer delight is that it requires that customers receive a positive surprise that is beyond their expectations. (Berman, 2005, 2). The reason why the concept of delights is addressed in this analysis phase is that during the explo-

ration, it was discovered that these delights were the ones which separated the different customer segments from each other. In the customer satisfaction itself was not so much differences between different groups rather than in the specific elements offered for different customer segments.

4.3 The reflection phase

The next step of the case study was the reflection phase which took place as a creation phase at the end. In the service design process is the reflections phase consists of testing the ideas and designs that have discovered from the understanding phase. These two phases are very close to each other and clearly differentiating these two phases was little bit of a challenge when conducting the case study since the focus was to understand and know the customers. In the case study the differentiation of these two phases was as follows. In the understanding phase the whole idea was to know to the customer and the service process in general from the point of view of customer service personnel. The reflection phase was concentrating on testing the visions and ideas from the understanding phase against the visions and expectations set by the company from the management and sales level. The end result of the reflection phase was introduced as an implemented new concept; as a form of a tool which will be covered later in this section.

4.3.1 In-depth interviews

Based on the exploration phase conducted previously, the next task for the case study was to compare the ideas and insights which were documented from the previous phase against the customer proposition given by the company and investigate if there were any other crucial elements missing from the study results. For this purpose, in depth interviews with management and in sales level were conducted. As mentioned previously in the study, managers have the important impact on the service process and service encounters, their interest is to deliver the service as efficiently as possible to protect their margins and remain competitive (Fitzsimmons et al. 1998, 239). At the same they are also responsible of the selling the first image of customer experience to the customers through marketing and selling functions. In every service organization the challenge often is to get everyone working in these functions will be at the same knowledge level in order to understand what is promised to customer. It is very important to include all the main stakeholders in the design work (Stickdorn et.al, 2011, 131).

Different functions might have different perspectives and priorities about the nature of the service (Fitzsimmons et. al, 2000, 75). Employees needs to be educated about the expectations of the customers, not forgetting the benefits and characteristics of its products. (Gil-

more, 2008, 142). Ideally, all parties; the customer, service personnel and management together with the selling and marketing departments, will gain much by working together to create a beneficial service encounter (Fitzsimmons et. al, 1998, 239).

When conducting in-depth interviews as part of the study, the target was to find out the insights and expectations of the service delivery process from managerial and sales level of the organization. By using interviews, the aim was to increase the understanding of the issues and to find out important practices of the service delivery (Hague et.al, 2013, 77). It was important to find out what management thinks about the service delivery process in general, what they have experienced and learned when communicating with customers during the service delivery process and what are their expectations towards the service delivery process. Also new ideas and regarding the service process efficiency were discussed. The questions of the study were prepared beforehand but the idea was to give management an opportunity to tell freely their own ideas. This is the reason why conducting in-depth interviews were selected as method of the study. The target in this part of the study was again find out what are the main characteristics and elements of the service delivery process for each customer segments.

In in-depth interviews, in order to get best possible outcomes from the study, 10 interviews can already give the researcher valid information about the topic explored (Hague et al.2013, 78). The challenge for this study was to get as many as 10 interviews and eventually only five interviews were conducted. Due to the lack of the amount of interviews the interviewees were carefully selected based on their role and responsibilities in the organization. The time cap of the interviews was kept loose from the structure and only the topic and of the interview were given beforehand as an advice for interviewees. The interviews followed closely storytelling as a method. The interviews were face-to-face and they were guided through with the same action points as in previous phase when the post assignment for service personnel was conducted with certain questions guiding the interview. But no other guidance was given and the interviewees were asked to tell their own experiences about the service depending on their role of the current service delivery situation. Interviewees had an experience from sales situations and also being part of customer service personnel as well as a role of a customer. By using stories as a part of the service design process are helpful when describing or communicating certain aspects of user experience (Quesenbery, 2010, 6).

Interview with key persons from the management and sales level

TOPICS OF THE INTERVIEW, QUESTIONS TO GUIDE THE INTERVIEWEES:

1. What are the needs for key customers?
2. What elements are included in the service depending on customer segments?
3. Tell your own words how you see flow of the service delivery process? Are there any shortages in the current process?
4. How do the ideal service delivery process looks like? What are the important elements on that?
5. What kind of tools could be developed in order to improve the service quality?
6. Does the role of service personnel changes between different customer segments?

Figure 16: Interview questions for the management

Themes such as service experience and service delivery process were covered. The interviews were not recorded, interviewer wrote down the notes about the answers and was also at the same time observing the interviewees. In this study, when combining observation to the interview situation, more insights about the topic and its importance was revealed to the interviewer, for example in terms of which words were used often (for example personality).

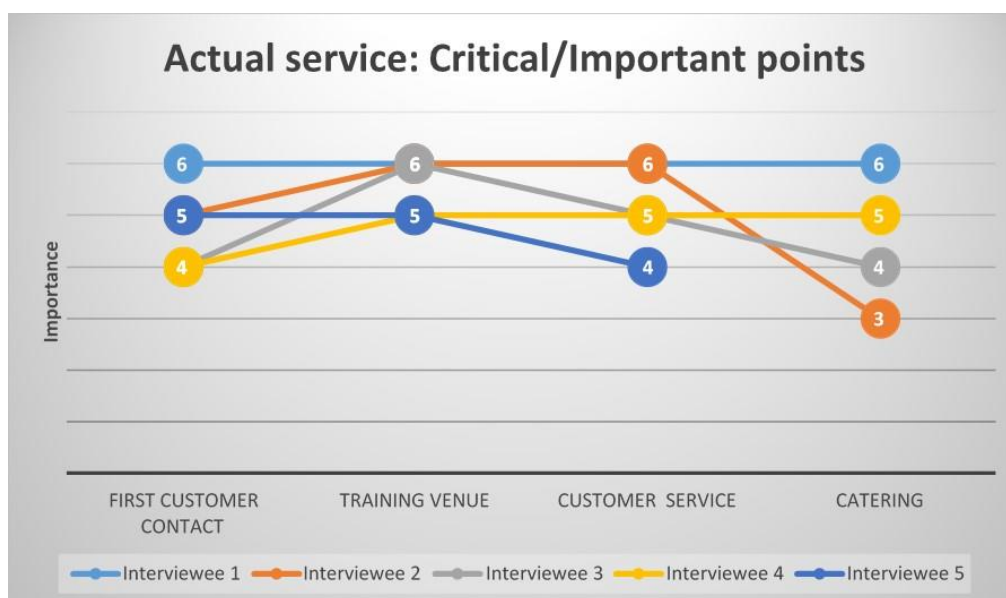


Figure 17: Results of the interviews, most important touchpoints of service delivery

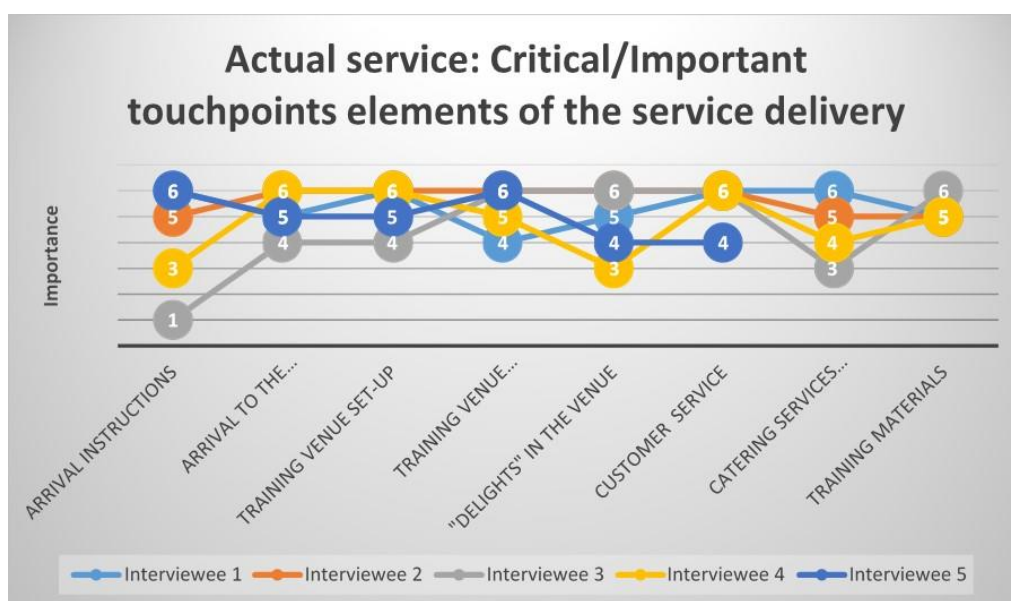


Figure 18: Results of the interviews, most important touchpoint elements of service delivery

4.3.2 Findings from the interviews

In the results of the interviews it was discovered that when thinking about the expectations and beliefs of the ideal customer journey the attention to details was considered as important as basic functions of the service. Mostly the results were in line with the findings from previous phase. The same touchpoints were found and also considered important by all stakeholders involved in the case study. These touchpoints were arrival or easy access to premises, the functionality of the training venue and customer service. Especially people working closely on sales had huge emphasis on the customers' first contact or arrival when starting their education journey.

For them, this part of the journey was considered to be one stage of the marketing process; the first step to meet the sales promise and expectations. For the customer service personnel this step on the other hand was the first contact to the customer. Even though it was considered important, this step had slightly different meanings to each stakeholder group attending to the study. But it was important to discover that even though there were differences on how different phases and touchpoints were understood and appreciated, the stakeholders in the case study company were understanding the service in the same way; what is crucial and to where focus in order to meet the expectations of the customer and offer best possible customer service.

As mentioned before in the thesis, when everyone shares the same vision and understanding of the service in the organizational level, it is easier to accomplish goals set up to the organization's operations. When an organization is exploring ways to improve its performance in the markets, it often tends to focus on improving the efficiency and performance of its personnel.

As a result of the workshops and interview sessions, it can be concluded that among the stakeholders in the case company same vision and beliefs customers' basic expectations. But between in these expectations and touchpoints there were also differences on which touchpoints the focus should be on in customer service level. This is not uncommon, due to the different roles, tasks and goals, stakeholders focus on different elements of the customer journey. If organization wants to be effective the situation should be just like this. There should not be any overlapping tasks between departments, but at the same time in order to meet customer expectations, information sharing is vital. The results also indicated that even though there were almost mutual understanding among stakeholders which elements are needed and vital in customer service, in order to make the customer service work as precise and efficient as possible, it might be helpful also to document the different elements as a description of the service concepts designed as a concrete tool used by different stakeholders in the company.

4.4 Implementation phase, the next step: Using service concepts as a foundation of tool creation

4.4.1 Service production process

In this thesis the concentration area is in service production process and particularly certain part of that process. According to Wilson et al (2008, 5) Services are deeds, processes and performances. The service production process is the combination of personnel, customers, physical equipment and the processes between them (Kinnunen, 2001, 19). In the study the focus was in the facilitating and supporting services illustrated in the Christian Grönroos's service production process model in figure 19.

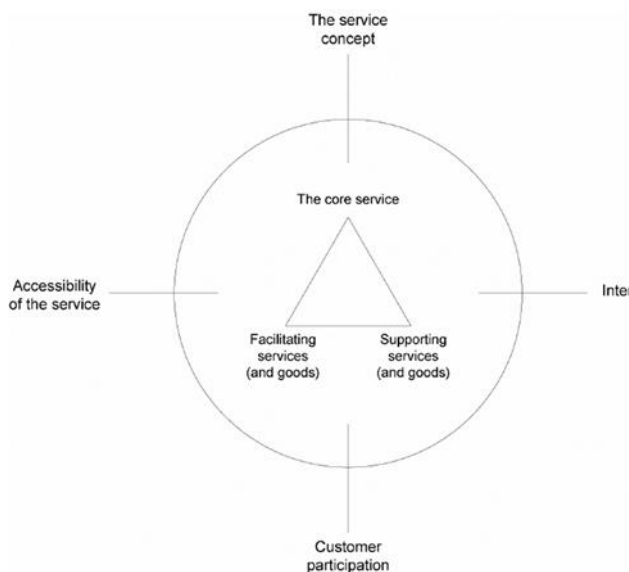


Figure 19: The augmented service offering by Christian Grönroos

4.4.2. Servicescapes and the importance of physical environment

Even though the basic physical surrounding of the service was the same, in the case study it was important to take a closer look at organization's servicescapes and address certain attributes relevant to each customer segment in order to understand small differences between the segments. The description behind the concept servicescapes is that physical environment can have a huge impact on customers and employees (Bitner, 1992, 57). Especially in the private educational service sector, where the service is partly consumed in the place serviced is produced, physical surroundings and conditions have the influence on how well the customer's goal is accomplished. This can have a strong impact on customers' service experience (Bitner, 1992, 57).

In the case of the private educational services, the service is considered to be interpersonal service; the service where both customers and employees are present and performing actions (Bitner, 1992, 58). The environment is also to be considered to an elaborate environment having many elements and forms (Bitner, 1992, 58). The service production process and the concept servicescapes were taken as a part of the study due to the fact that as stated before in the thesis since different customer segment of the case organization have in principle the same core service, education, there are differences in the small service elements in the service process. These elements relate to the facilitating services and supporting services. Facilitating services are classified to be services without the core service would collapse (Storey et al. 1998, 336). After the understanding phase of the study these facilitating services were easy to address and agree that they were similar to every customer not depending on the particular customer segments. In the case of supporting services there were exceptions between

different customer segments. Supporting services are services which are not essential for the core service but can increase the value of the services offering (Storey et al. 1998, 337).

4.4.3 Service concept

Service concepts are widely used and there are many different perceptions how people see or understand the concept. According to Normann (2000, 75) service concept determines the benefits that are offered to the customer (Kinnunen, 2001, 59). James Heskett describes in his book the service concept to be the thing how the company would like to have its service perceived by its customers, employees, shareholders and lenders as well (Heskett, 1986, 16). In order to define well the service concept and also add little bit customer experience to the combination, companies need to think what kind of message do they want to give to their customers. When competition is stronger, even the grocery stores wish to tell another story, for example a store where to find organic food and products from local producers. In this way stores also focus on customer individual needs and perceptions.

Service concept can be described as a big picture of the whole service, explaining all the elements of the service. This is used for example in hotels when illustrating and explaining their service offering. The service offering has been divided into smaller pieces in order to explain and give image to customers about their service in general. Also when explaining the pieces of service one by one will give to the customer feeling that they are actually getting little bit more than just an accommodation for the certain period of time.

As mentioned previously in the thesis, service concepts can also be used in order to employees know about the expectations of their work towards their customers. When it is clearly shown what are the most critical elements need to be taken into account, this will increase the efficiency of the employee. Also motivation rises when employee recognizes all the vital elements in the work. In a situations of uncertainty, the service concept can be employees' security of how tasks are supposed to be done (Hurme, 1990, 74).

In this case study the service was divided in to the smaller pieces with concentration of service process, servicescapes and particularly facilitating and supporting services. The focus was to create a tools for the service personnel's use in order for them focus their tasks and the actual customer service job more accurately and efficiently at the same time giving confident and motivation. In terms of customer and their expectations towards the service by creating a tool the idea was try to ensure that the actual service period will meet the expectations of the service and if possible even go beyond that.

4.4.4 Benefits of creating checklists to support customer service

Using checklists as a help of customer service work is not new idea. Checklist are used widely in so called repeat businesses; from hotel's sales personnel to fast food restaurant's front desk staff where the service is following same paths to each customer. Checklist help the customer service personnel to ask relevant questions from the customers in order to tailor a specific service and depending on the service will give possibility for extra sales. Using checklists will also guide and train the customer service personnel to use the established service procedures, standards and systems. In every customer service work every front-line and support staff need to be informed about service standards, and training plays an important part here (Cook, 2008, 195).

In some cases, checklists could also give customer something extra, some elements they did not themselves thought about. Even so called customer service reminder checklists are prepared to remind customer service about their appearance and habits towards customers.

Due to the advantages mentioned above the idea using checklists in day-to-day customer service wanted to be tested also in the case study. At its best, the private educational service sector can be considered as experience business giving customers five-star learning experiences and awaken customers' self-reflection and development. When communicating clearly service concept to the client when the actual use of the service happens, it is easier for the clients to form certain perception from the product or service starting from the first time they are using the service. (Heskett, 1986, 17). In this case every element needs to be five-star. For example, when thinking about hotel offering luxury meeting premises for companies to use, If the premises are just basic, classroom styled, you cannot say that you are offering the "five-star" -style service. Well-defined and well-targeted services to each client segment are vital. It's the little details that can make such a difference to the customer experience, and it's often this attention to detail that gets overlooked. Of course every serviced organization will set their own standards to their service; only they can decide to what they are aiming at, is it going to be basic service or is the target going to be the highest possible, five-star experience. Many service companies have these both approaches and in these cases the communication about the service standards to employees is vital.

4.4.5 Creation of checklists

The initial idea of the study was to help the customer service personnel to in a fast pace serve each customer at the same intensity and service level not depending on the actual customer segment. When the study work was finalized it was clear that the same tool could service also other levels in the organization as a reminder. As stated previously in the thesis, it is

important that every level in the services organization is in the same page when it comes to service offering. The service offering and all its elements need to be clearly communicated in every level in the organization. Due to the changes in the service organization the idea of the list came actually from the upper level of the organization. They realized the importance of communication during the transition time. The focus of the checklists was the mainly in the one part of the customer service delivery; the actual delivery with also other element from pre- and post-service periods. The request was that the list should be easy to use, follow and adjust if needed, like the flight pilots in the cockpit before the flight with crossing every important item in their list to make sure safe flight to every passenger on board.

The customized checklist was divided into different categories by using the basis as in the example template. The task of the customer service personnel was divided into different categories based on at which point every task was performed. The categories were named by following the idea that the actual serviced period would be safe flight in order to add little bit positive vibes on the list and that personnel would not think the list to be only some kind of to-do list. The categories of different operations were as follows:

“Flight schedule decided” (pre-service)

- *Needed customer information for the service company*
- *Communication with the customer*
- *possible material handling*
- *Communication with stakeholders and suppliers*
- *handling the infrastructure of the actual service period*

“Before the take-off”

- *Possible material handling*
- *identifying the customer*
- *Preparation and check of the physical environment, facilitating and supporting services*

“Have a safe flight” (the actual service period)

- *Appearance and communication with the customers*
- *Check the status of the infrastructure, physical environment, facilitating and supporting services at regular intervals*
- *Possible delights during the flights*

“After the flight” (post-service period)

- *Possible material handling*
- *Communication with the customers*

- *Feedback collection from the customers*
- *Feedback collection from other stakeholders and suppliers*

“The final flight”

- *Customer retention*
- *Possible delights for customer remembering*

“Safe Altitude”: Possible challenges or surprising situations during the flight

- *List of possible surprising situation during the flight and the solutions*
- *Possible delights*
- *Failures and challenges in the infrastructure during the service period*

Checklist for every customer segment were prepared following the same principle illustrated above. Mainly same elements were occurring in the list but there were also differences depending on the specific customer segment. The differences were mainly dealing with the actual service period. In the same process also special checklist dealing with infrastructure and physical environment of the service was created in order for the customer service personnel to check every single detail regarding facilitating and supporting services.

4.4.6 The test-run period and challenges

After the checklists were introduced it was encouraged that the customer service personnel could start to use the lists and give possible feedback about the usability and relevance of the created tool. For this test-run period no actual follow-up was established due to the operative changes happening at that time in the case organization. After a certain period of time this decision was realized not to be practical due to the very limited responses and feedback regarding the testing from the personnel. When asked randomly about the use of the checklists, answers were in certain way positive by giving the feedback that it is good to have a list, but were the lists actually used was remain unclear. The risk of the study then was that even though needed and welcomed, there was possibility that the work and the lists were not going to be in proper use after all. The task was to find out if there was challenge in the actual format or the communication of the tool usability.

4.4.7 Feedback from users: In-depth interviews

In order to fully understand if the tool creation was seen relevant among the personnel and especially with customer service personnel, in-depth interviews with customer service representatives were established. The interviews were made after approximately five months introducing and launching the tool to the personnel. It was decided to not include any other

levels in the organization for the interviews since after the creation of checklists most of the issues and elements communicated in the lists were focused on the customer service personnel's daily tasks.

The main focus of in-depth interviews was to check if created lists for the help of new people in the organization to understand what kind of basic services included in every customer segments' training packages and also is it helpful in daily work of current personnel. Due to the challenges of getting interviews scheduled only couple of proper interviews were able to conduct. Due to this it was important to select persons with most experience about customer service work and different customer segments. The persons selected for the interview had a long experience from the field but who in a way were also newcomers to the case company, learning new tools and methods for working. In the interviews it was important to find out about employee's feelings about were checklists actually helpful and useful in daily work. The schedule of conducting the interviews is illustrated in figure 17.

PLANNING THE INTERVIEW: SERVICE CONCEPT, HOW IT HAS WORKED?

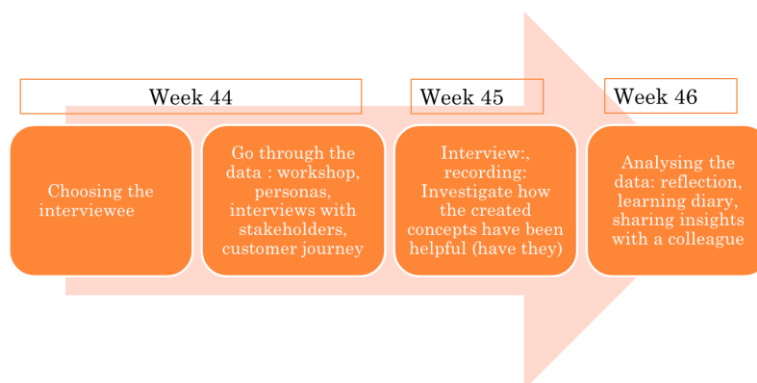


Figure 20: Schedule of conducting interview in the implementation phase

in the interviews recording as a technique was chosen due to the reason that the atmosphere of interviews was wanted to keep as informal and relaxed as possible. The framework and questions of interviews are illustrated in attachment 1.

Due to the lack of numbers of the interviews the analyzing data at this point remained to be too narrow and analysis became challenging to complete. When dealing with small amount of data the harder the analyzing is. After conducting the interviews, the outcomes were first written by using the filed notes approach were the interviews were documented as small stories were questions and answers were put together. By documenting the interviews in this

way it was easier to revise the thoughts coming from the interview and see possible similarities and repetition.

The analyses of interviews were documented and prepared to be presented if necessary to the management level in order to update them about the work, the outcomes, insights and feelings towards the presented checklist, so when illustrating the interview results it was important to use an approach which could easily show the results to the management. For this work the topline report was presented as a documentation method. Even though topline reports are used to illustrate the early impressions, not the formal analysis of the data (Portugal, 2013, 137) at this point it was seen to be best way to present the outcomes from the interview. The sample of topline report is illustrated in figure 18.

When results and insights of the interviews were collected and documented not so much of iteration were made in terms of changing some element or the whole format of the lists. The reason to this was that even though there were not much real evidence for the usability of the lists, the lists were welcomed and seen important tool for daily work. Personnel felt more comfortable of knowing that even though not all were using the lists they knew that there was some place where they could check the required elements of customer service if needed.

When documenting the results by using the approach presented in figure 21 also helped to focus on certain concrete issues that came out as a results from the interviews. Through topline reports it was also easier to notice possible recommendations of checklist and regarding the customer service in general. These issues and possible action points are covered and introduced in conclusion part of the thesis.

Sample of “using the checklist” topline report

Topline report

1. **In educational service sector the variety of customers is vast**
 - There are differences when thinking about students in public sector versus students coming from private sector
 - Different customer groups even inside in the private sector
 - i. Labor policy education versus top management education
2. **What do the customers expect and need?**
 - Best possible customer service to all customers not depending on the customer portfolio or the services including the service concept
 - The content of the education is always the most important aspect
 - i. right content, right trainers, right focus group, right educational methods
 - Facilitating and supporting services are noticed by the customer
 - i. lack or malfunctioning of AV equipment is more noticeable than catering
 - ii. elements in the classroom are noticeable
 - Creating, establishing and maintaining networks
 - Customer service during and between the training days
 - i. When needed to ask something there is always somebody near
 - ii. Communication between all stakeholders in customer service level is important
 - iii. It is important that everyone acknowledges own responsibility of customer service
3. **Usability and benefit of checklists**
 - There are as many ways of working as there is people in customer service level
 - In a fast changing economy and business markets organizations need also to keep up with new ideas and expectations
 - i. When introducing new tools, training and communication are key elements
 - ii. When there are many different tools and procedures, checklists could help
 - Thoughts and ideas for current checklists
 - i. when operating in many level and different places, checklists need to be thought so that they could serve all the time; not only for the specific surrounding end environments
 - ii. Importance of clear instructions regarding all tools in the toolkit
 - Checklists are important when training new personnel
 - i. Needs to be encouraged more also for current personnel but might be difficult due to the previously established working procedures

Figure 21: Sample of “using the checklist” topline report

5 Summary

5.1 Conclusions

The following chapter summarizes the thesis based on the conducted research with conclusions from the research project followed by self-learnings and -thoughts and implications for future research. The center idea of the thesis work was the citation from James Heskett's book *Managing in the Service Economy* (1986) stating that "When communicated clearly to employees, a service concept can focus attention on the importance on certain aspects of the server's work". When thinking about the current state of economy and business markets, it is clear that depending on any business operating in the field the pressure of cost cutting and efficiency is evident. Markets are open and in order to succeed, companies need to broaden up their customer scale by entering into new markets. At the same time the service industry is competing against each other for obtaining and maintaining customers who are more and more aware of the quality standards, variety and the competition about the services.

5.1.1. Service-Dominant logic

The Service-Dominant logic defines services to be combination of specialized skills and knowledge (Lusch, et al. 2014, 4). Based on the research it can be stated that the case company operates in the field of service business where exchange item is intangible and that the items is perceived different way by each customer. In the educational sector the knowledge is the item customers are looking for and expecting. Bu the customer value is not only perceiving the knowledge since the knowledge is produced through different deeds and performances by different stakeholders. According to Lusch and Vargo (2006, 4) services are application of specialized competences or operant resources (knowledge and skills) through deeds, processes and performances for the benefit of another entity. According to research the most important stakeholders for delivering the service in the case company are in addition to customer the course instructors and customer service personnel.

5.1.2 Knowledge is the fundamental source of competitive advantage

In general, when companies are looking for increasing their competitive advantage in markets one source of competitive advantage can be internal knowledge and skills of the companies. Even though in the research the focus was not trying to increase case company's competitive advantage in the markets, during the study it was evident to notice how big meaning the knowledge sharing in service operations can be. This can be crucial in two situations. The first is when company is increasing its potential and customer portfolios through mergers. In these cases, there can be a short period of time when all internal stakeholders are learning to all

aspects from the customers and product portfolios, during this time it can be little bit confusing for employees to understand what is expected from them and what is the actual value for customer. The second one is when new employees are coming to the company and familiarize themselves to the processes. In order to gain immediately the confidence, expected customer service level and motivation, employee wants to know what is expected by a customer and an employer. How the process is going to be most efficient depends on the information shared (Lusch et al. 2006, 16).

5.1.3 The importance of facilitating services

Based on the research it was also shown how important the function of physical environment and servicescapes were for the customers. Based on the research the educational services include the core service which is the gained knowledge and facilitating and supporting services or peripheral services. These different services are illustrated in figure 22.

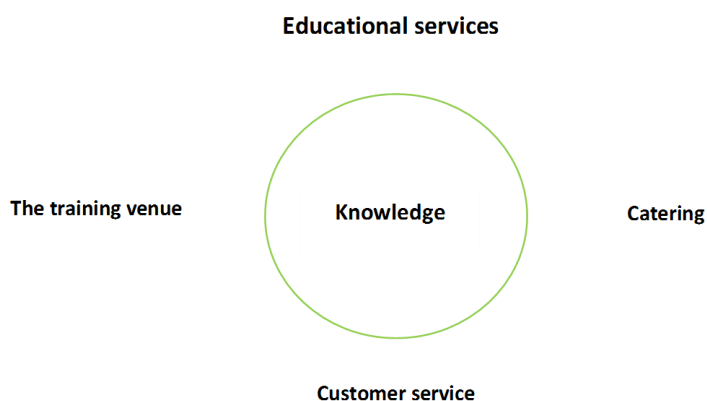


Figure 22: Core service with supporting and facilitating services

Based on the research the knowledge is not the only thing customers are thinking when evaluating the educational services. For them the whole service package forms the perceived value. Depending on the customer portfolios there may be slight differences regarding facilitating and supporting services. Effective design of physical evidence is important in order to align service standards and design (Zeithaml et al., 2008, 242). This is crucial in interpersonal services where both the customer and customer service person are present and have active role. This applies especially in the educational service sector where majority of service usage has this interaction. Based on the research certain important servicescapes; the physical facilities were included in the service offering. These physical facilities were documented in form service concept checklists. These facilities included facility exteriors such as exterior design, signage and facility interior including layout and equipment among other things (Zeithaml et al. 2008, 242).

Based on the research it is possible to create the service concept as a form of a tool in order to the company to be more efficient. Based on the research the physical evidence may have many complex elements and based on the research in order to focus, remember and maintain the most valuable and important element of the experience those elements need to be documented properly. The architecture documentation need to vary, it is most important to find out the possible outcome to each organization, but based on the research these kind of lists are useful to conduct.

5.1.4 Customer is always a co-creator

Based on the research it is evident that customer as a co-creator should never forget from the service delivery process and from the service innovation. When creating value, the customer is always involved in the process. When value is investigated in terms of efficiency, the voice of customer cannot be left out. If a company is focused to be customer-oriented, it needs to continually collaborate and learn with its customers in order to find out their needs (Matthing et al. 2004, 479). This is important in every customer service business and the role of a customer was proved to be crucial in the educational sector where in the actual training days there is close interaction between customer and service personnel. The feedback got from the customers help the service personnel to modify the service even better. But it is also evident that only analyzing the feedback surveys is not enough, there need to be time to really engage customers. From the researcher's point of view the tacit knowledge is the most beneficial knowledge when finding out the most important touchpoints or trying to make improvements in the existing service. When engaging the customers in ways they do not actually understand they are co-creating the value they can share information which cannot be found from the feedback survey or interview analyses. Based on the research methods like customer observation and shadowing, they can reveal habits and wishes of customers towards the service. In the case study example, when using these methods, it can also strengthen the understanding of customer expectations and beliefs of both important stakeholders; the customers and customer service personnel.

But in order to really learn to know the customer other methods can also be to take into consideration. In educational service sector, one of the most important part of the service experience are the actual training days. Knowing customer through the actions performed during the days is crucial and for this work for example video auditing or storytelling would be ideal methods to be used. By focusing on the habits of customers it is possible to find about big and also small elements which can be improved and at the same time the customer experience would also improve. As an example for the power of this kind of research would be following: I was observing customers during the one event where they were using coffee machines. I noticed that whenever the customer was taking a cup of coffee from the machine, he never

took the closest cardboard cup, he would rather go on other end of the hall and fetch a proper porcelain mug from the table where the mugs are kept for catering purposes. This is not the situation which probably would be found out from the feedback surveys, but by observing the customers. Simply by changing the mugs closer to the coffee machine would be a surprise, a delight to customer. Based on the research with these kind of delights and surprises it is possible to stand out from competitors and make a memory mark to customer.

5.1.5 The service concept and customer service personnel

Service is produced through the service process (Kinnunen, 2001, 18). This is why it is important that all elements of that particular service process and designed to be as flowing and precise as possible. Customers' expectations have been increased, they know and deserve the best possible quality. In the service economy the key players are not anymore various products offered to customers but people behind the products; people that make the service delivery. The pressure in the business markets is affecting directly to the employees. According to GE's former CEO Jack Welsh, whenever company is growing and facing changes, workforce is forced to do work overload and long hours (Bartlett, Wozny, 6, 1999). The focus for the companies should be to find out ways how to offer and maintain the best possible customer service quality at the same time maintain the efficiency and motivation of the employees, not forgetting to give the room for innovation. According to Gary Hamel, the amount of work engaged people is about 20% around the world (Hamel, 2012, 186). For employees the motivation comes from the pride of accomplishment, not just from the appraisal, incentives or feedback from bad performance (Hamel 2012, 187).

An important factor in the consistency of service delivery is the establishment of standards of service (Cook, 2008, 171). Based on the research it is important that all the stakeholders know what is the actual service promise to customer. Due to the intangibility service cannot be so easily specified or demonstrated (Norrman, 2000, 75). There are always some differences about the perceptions between for example sales personnel and customer service personnel. By narrowing the gap about different perceptions of different stakeholders in the company, defining service concepts play an essential role. When all stakeholders in the service delivery understand which elements are included in the service also the selling and the service itself will become more precise and accurate. As a one tool, a service can be created by doing a list where as clearly as possible is explained what is being offered or what is going to be achieved as a result of understanding the service (Norrman, 2000, 75).

The service concept can help the company to be more efficient. Based on the research defining and creating the service concepts could be beneficial, but there are certain issues that need to take into consideration. When establishing the service standards as a form of check-

list, the output can create resistance among employees, especially if they think that the checklists are needed to be followed strictly. The conduction of research was based on an actual need from the case company where there were already discussed about the creation of certain tool and the need was to investigate all the relevant elements of the tool, not to investigate what tool would be best for the actual purpose. The research clearly indicated that checklist can increase the certainty to customer service personnel's daily work. This can increase also the motivation when an employee clearly understands the expectations. Based on the arguments mentioned above the service concept can be useful in customer service point of view. The research does not answer directly to question if it is possible to offer same level of customer experience to all with different structure but emphasizes the importance of customer in the service. It is critical that the service concept will be constructed on the basis that every customer is served equally in every situation. That should be the basis of each customer service situation.

5.2 Self-thoughts, -learnings and implications for future research

For me one of the most important quotes relating to service design and especially customer service is from Richard Branson stating that "The key is to set realistic customer expectations, and then not to just meet them, but to exceed them – preferably in unexpected and helpful ways". Throughout the research work it has become clear that the center in every research and field work should be customer and the value. Every organization need to ask from themselves every day if they really do listen their customers. As a basis of the self-reflection the provider gap model by Zeithaml et al. (2008) is used as a framework. The gaps are presented in figure 23 below.

I believe that the most important thing for service companies need to think about are not knowing what customers want and believe. Quite often the service companies fail to the assumption that they know what their customers are expecting from the service and are monitoring the satisfaction only through the answers from feedback surveys and sales. It is important for every company to ask themselves time to time "do we really listen our customers?" Find the right methods for each company may be challenging but when conducting right, beneficial and key to success. There are various different methods and techniques for involving the customers to designing services and to learn from them. Techniques can be very traditional including the customer interviews, surveys, complaint systems and customer panels (Zeithaml et al. 107).

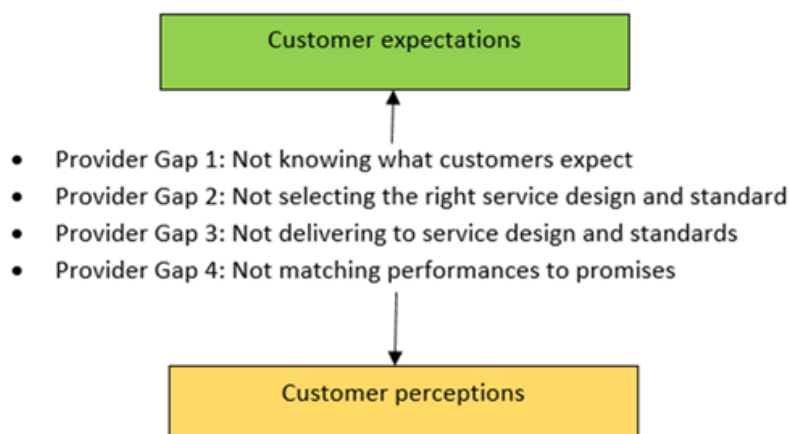


Figure 23: The provider gaps by Zeithaml et al. 2008

Even though mentioned previously in the thesis I believe that when conducting the feedback surveys with specific details, they are still very important source of information. especially in the educational service sector it is important for the service providers to get the feedback about how succeeded when tailoring the training content, were instructor' s methods and tools suitable for the target audience and overall impression of students regarding the training. But the surveys alone are not enough to capture the essence of customer' s perception of service. New innovative ways need to be included. In my opinion, especially in the private educational service sector when mapping the different alternatives for involving customers it is also very important to discover ways how to get information about customers' perceptions without directly asking the opinion from them.

In certain cases, customer panels mentioned previously in the text can be beneficial, companies and researchers need to think how much time the customers are ready to invest for the co-creation. The standard customer in the private educational service sector is a person who simultaneously is focusing to the studies, the work and family. They do not necessarily have the time for attending anything extra even though understanding the importance. This is why the information customers give during the service process, and in the case of educational service sector during the training days, need to be captured by the companies. Based on the research methods like observation and shadowing were proved to be very powerful source of information. When observing customers' manners and habits it is possible to discover small elements in the service delivery process, which by making them better will change the cus-

tomer experience. Based on the research shadowing and observation also increase the awareness and strengthens the vision of most critical touchpoints and elements of the customer during the service delivery process. The methods can also be cost-effective way of service design in educational service sector. Quite often in the case of service design companies are hesitating the investment of the design due to cost structure (Huston et al.,2006, 3).

In private sector, the customer service personnel are present during the student's training day and part of their job is to observe constantly the students. As a suggestion for the case company and the service companies in general having much of face-to-face encounters I would encourage them to start collect the information from customer service personnel for example weekly basis on what they have discovered from the customers. By encouraging the service personnel to observation is a cost-effective way to add the service design to daily tasks.

I believe that designing process well can have positive impact on matching the customer expectations. In my opinion right process design is directly linked to selecting and delivering the right service standards and meeting the given promise to customer. If a company is aiming at the superior quality service, it need to match the customer's expectations about the service (Zeithmal et.al, 2008, Normann, 2000). If performance standards are not equivalent to the customer's expectations no superior quality service cannot be achieved. Due to the nature of intangibility of services (Lusch et al., 2006, Zethaml et al., 2008) it can be difficult to explain the nature and all the elements of the service, but not impossible. Based on the research a service company needs to concentrate in two important issues; communication and description of service packages.

Communication between all stakeholders in the service company needs to work solid (Löytänä et al, 2011, 26). This is especially important in the service companies in private educational sector where customer is in contact various stakeholders during the journey. the figure 24 illustrates how many different stakeholders are affecting to customer during the customer journey.

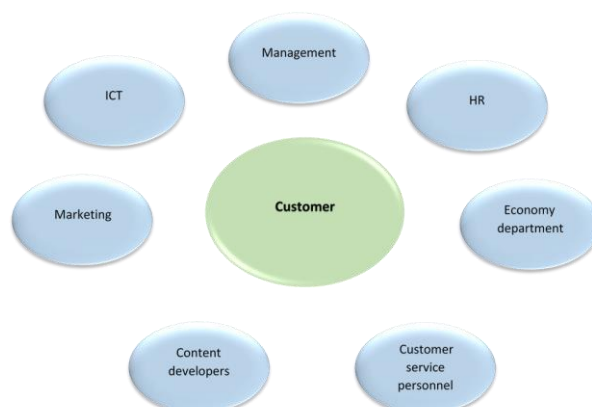


Figure 24: Stakeholders affecting customer journey in educational service companies

Often the first contact starts from the marketing or sales department continuing with content designers, instructors and customer service personnel. As learned from the study when realizing the importance of the communication, everyone in the company have the same vision and understanding about the service (Zeithaml et al. 2008, 108). But as also discovered from the case study, there are also some differences of opinion and even often being minor, these can affect how to perceive the service. Communication also increases the motivation level among employees. I want to emphasize the importance of employees as a key resource of service company's competitive advantage.

Especially in the business like educational service sector where the customer and the customer service personnel is present at the same time consuming and producing the service (Zeithaml et al., 2008, 245), the customer service personnel has a crucial role in creating the perceptions about the service. Their actions may lead to delights and sudden surprises which will have impact on customer journey. This is why maintaining motivation through good and solid communication will give customer service employees the certainty about their own important role in the company and at the same time will get satisfaction about their work. The idea follows the model of Maslow's hierarchy. Employees will find fulfillment only if they have been given the chance to exercise higher order capabilities: initiative, imagination and passion (Hamel, 2007, 75).

In my opinion, when company is operating the field of educational service sector it has two major responsibilities. The first is their core service; offering and sharing the knowledge to students. At the same time, it is equally important to provide the tools to the student or the customer company to measure what will the effectivity of customer's studies be in the longer period of time. According to Ylitalo (2012, 119) student will reflect the benefits of the training according to three aspects; deepening the self-awareness, impact on interaction and impact on own personal work and organization. If student do not feel that he cannot share and implement the learned knowledge and tools to his workplace the impact on training may stay low. I believe this idea applies also in term of motivation of employees. The company's strategy should encourage employees for the development and design of their own work which could lead for improvements in the general service offering.

Setting the service standards and describing the service package is also important when focusing to match the service to customer's expectations. In my opinion in order to understand the standards they can be set in form of list which illustrates all the areas and points when for example customer service personnel is being contact with the customer by adding also the necessary processes (Normann, 200, 75). The formed list is described the service package by communicating clearly to the customer service personnel what elements needs to be included to the serviced in order to offer the best possible service quality. In my opinion designing this

kind of list is beneficial especially if the elements in the service package varies significantly between different customer segments. Some believe that establishing the lists may put customers into certain box and that customers are not treated same way. I do not believe in this assumption. In my opinion service package or the checklist will remind the personnel about critical factors and at the same time will give room for the service personnel to focus on developing their core competencies; increase the innovation.

Based in the research the importance of physical evidence and servicescapes brightened. When customer is evaluating the service based on the expectations set before, even though as discovered in the research the meaning of physical environment is important at its best it can also be the element that does cause strong feelings during the journey. In educational service sector the physical evidence has important part for customer experience offering the facilities for the learning. when buying the training customer already sets the standards to service and one of the part is good and functional facilities (Zeithaml et al. 2008, 247). If this expectation is fulfilled, customer may not remember the facilities to be a wow factor but as a sign of constant quality.

This thesis has brightened the importance of service design in general and it has also reminded about the importance of customer together with the importance of listening the customer. Customer needs to be present the whole time of service delivery process. Customer's voice is the most import source of service design, without the customer there is no service. The research was focusing on the one step in the customer journey but during the process the understanding about whole journey has strengthened. I believe that we are responsible for the customers for the first day thy discover the service. After that the relationship will last. This should be acknowledged especially in the field of educational service sector where the focus is increasing knowledge, self-awareness and self-development. This is a continuous process for an individual and for the company.

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Figures

Figure 1: Visualization of the thesis content and topics to be covered	9
Figure 2: Key theories and concepts for the thesis work	12
Figure 3: Ten foundational premises of service-dominant logic.....	15
Figure 4: Persona 1, Ilkka	22
Figure 5: Persona 2, Miko.....	23
Figure 6: Persona 3, Timo	24
Figure 7: Customer journey for persona 1, Ilkka	26
Figure 8: Customer journey for persona 2, Miko	27
Figure 9: Customer journey for persona 3, Timo.....	27
Figure 10: The touchpoint analysis	29
Figure 11: Statistics about surveys' analyses.....	30
Figure 12: Open-ended comments about customer experience by categories.....	30
Figure 13: Most common incidents or parts of customers' journeys based on the analysis of open-ended comments	31
Figure 14: Post-assignment questions	32
Figure 15: Shadowing results (model by Marc Stickdorn).....	33
Figure 16: Interview questions for the management	36
Figure 17: Results of the interviews, most important touchpoints of service delivery	36
Figure 18: Results of the interviews, most important touchpoint elements of service delivery	37
Figure 19: The augmented service offering by Christian Grönroos	39
Figure 20: Schedule of conducting interview in the implementation phase	44
Figure 21: Sample of "using the checklist" topline report	46
Figure 22: Core service with supporting and facilitating services	48
Figure 23: The provider gaps by Zeithaml et al. 2008	52
Figure 24: Stakeholders affecting customer journey in educational service companies	53

Attachments

Attachment 1: Feedback from users: The framework and questions of interviews

PLANNING THE INTERVIEW: SERVICE CONCEPT, HOW IT HAS WORKED, HAS IT?

- Choose the method of taking notes: recording, writing some main points down
- Approximately one hour timeframe
- Main topics of the interview:
 - Getting to know each other: breaking the ice
 - Working background, "small talk"
 - Company and the customers
 - What is customer service from interviewee's (former organization's) point of view?
 - What needs to be taken into consideration?
 - The process of creating service concept
 - Feelings regarding the organizational changes
 - Feelings about the joint development
 - Feelings regarding the workshops, tasks, etc.
 - Did everything were taken into consideration
 - The use of end tool
 - Go through the concepts (list)
 - User experiences
 - Future development ideas
 - Is this helpful tool?
 - Other ideas?

(Have lunch together!!)